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5.B. No. 496

#### A BILL TO BE ENTITLED

### AN ACT

relating to the creation of a Pressure Vessel Division in the Bureau of Labor Statistics and the Board of Pressure Vessel Rules and defining their duties and responsibilities; requiring that pressure vessels meet certain standards; providing penalties; and declaring an emergency.

BE IT ENACTED BY THE LEGISIATURE OF THE STATE OF TEXAS:

Section 1. SHORT TITLE. This Act may be cited as the

Pressure Vessel Act.

- Sec. 2. DEFINITIONS. For the purposes of this Act:
- (1) "Commissioner" means the Commissioner of the Bureau of Labor Statistics of the State of Texas.
  - (2) "Board" means the Board of Pressure Vessel Rules.
- (3) "Director" means the Director of the Pressure Vessels Division of the Bureau of Labor Statistics of the State of Texas.
- (4) "Deputy inspector" means an inspector of boilers and pressure vessels appointed by the commissioner.
- (5) "Authorized inspector" means an inspector of boilers and pressure vessels holding a Texas commission issued by the commissioner and who is regularly employed by a company licensed to insure pressure vessels in this state.
- (6) "Special inspector" means an inspector holding a Texas certificate of competency issued by the commissioner and who is continuously employed by any owner-user operating pressure vessels

in this state for which the owner-user maintains a regularly established inspection procedure pursuant to this Act.

- (7) "Inspector" means the director, a deputy inspector, an authorized inspector, or a special inspector.
- (8) "Owner-user" means any person, firm, or corporation owning, operating, in charge of, or in control of any pressure vessel and maintaining a regularly established inspection procedure pursuant to this Act.
- (9) "Pressure vessel" means any vessel in which the pressure is obtained from an external source or by the application of heat from an indirect source or from a direct source.
- (10) "Certificate inspection" means an inspection, the report of which is used by the director to decide whether or not a certificate of operation may be issued.
- (11) "Special inspection" means any inspection performed by the director or any deputy inspector other than the required inspection pursuant to Section 15 of this Act.
- (12) "ASME Code" means the American Society of Mechanical Engineers Boiler and Pressure Vessel Code with revisions, amendments, and interpretations adopted by the council of the society and adopted by the board.
- (13) "National Board" means the National Board of Boiler and Pressure Vessel Inspectors.
- (14) "Operating limits" means limits of pressure and temperature in accordance with the ASME Code.
- Sec. 3. BOARD OF PRESSURE VESSEL RULES. (a) There is established within the Bureau of Labor Statistics a Board of

Pressure Vessel Rules, consisting of nine members appointed by the governor with the consent and approval of the senate. Except for the initial appointees, members hold office for terms of six years expiring on January 31 of odd-numbered years. In making the initial appointments, the governor shall designate three for terms expiring in 1975, three for terms expiring in 1977, and three for terms expiring in 1979.

- (b) The governor may remove any member of the board for inefficiency or neglect of duty in office. Upon the death or incapacity of any member, the governor shall fill the vacancy for the remainder of the vacated term with an individual representative of the same interests with which his predecessor was identified.
- vessels and at least four must be registered professional engineers licensed in the State of Texas. Three members must be representatives of owner-users of pressure vessels, two must be representatives of pressure vessel manufacturers, two must be representatives of companies insuring boilers and pressure vessels in this state, one must be a mechanical engineer on the faculty of a recognized engineering college within the state, and one must be a representative of the boilermakers.
- (d) The board shall elect one of its members to serve as chairman. At the call of the chairman, the board shall meet at least four times each year at a place designated by the board. No decision of the board shall be effective unless supported by the vote of at least five members.
  - (e) The board members serve without salary, but are entitled

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to reimbursement for actual expenses incurred in the performance of their duties as board members.

Sec. 4. RULES AND REGULATIONS. (a) The board shall formulate definitions, rules, and regulations for safe construction, installation, operating limits, alteration, and repair of pressure vessels in this state and for inspections necessary to carry out the provisions of this Act.

- (b) The definitions, rules, and regulations formulated for new construction and installation shall follow generally accepted nationwide engineering standards, formulas, and practices pertaining to pressure vessel construction and safety. The board may, by resolution, adopt the ASME Code as part of the definitions, rules, and regulations.
- (c) The definitions, rules, and regulations formulated for pressure vessels in operation before 12 months from the publication date of the initial rules and regulations shall follow generally accepted engineering standards and practices and may be based on the National Board Inspection Code.
- (d) The board shall conduct a hearing on all formulated rules and regulations. The time, place, and matters to be considered at the hearing shall be posted for 20 days preceding the hearing in a manner designed to give actual notice. All persons directly affected shall be mailed a notice at least 20 days prior to the hearing. If all persons directly affected are unknown, notice shall also be published in a Texas newspaper of general publication for 28 days before the hearing.
  - (e) After the board's hearing, the commissioner may approve

the formulated rules and regulations and cause the approved rules and regulations to be published. Except for the rules and regulations concerning construction specifications and the initial rules and regulations described in Section 6 of this Act, rules and regulations shall be effective upon publication. All rules and regulations concerning construction specifications shall not be mandatory until 12 months after publication.

- (f) The board shall have the discretion to set an effective date up to 12 months for amendments of rules and regulations.
- Sec. 5. PROCEDURE FOR MODIFICATION OF RULES AND REGULATIONS.

  (a) Any person aggrieved by a fundamental rule, regulation, or order of the board may notify the board of the grievance in writing; the board shall consider the grievance and may amend or repeal the rule, regulation, or order on its own motion. If the board fails to amend or repeal the rule, regulation, or order within 10 days of the written notice of grievance, the aggrieved party may file a written application for a hearing. The board shall conduct a hearing within 10 days after receipt of the application. At the hearing, the aggrieved party shall have the opportunity to show cause for the amendment or repeal of the rule, regulation, or order.
- (b) Upon failure of the board to amend or repeal the fundamental rule, regulation, or order, the aggrieved person may file a petition to review, set aside, modify, or suspend the action of the board within 30 days of the date of the board hearing. The suit may be brought in the district court of the county in which the vessel is located or in the district court

of Travis County.

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Sec. 6. PRESSURE VESSEL INSTALLATION. (a) The initial rules and regulations concerning construction and installation shall not become effective until 12 months from the date of publication. The board may grant, at its discretion, a special installation and operating permit for a pressure vessel of special design or construction, consistent with the safety objectives of the rules and regulations.

- (b) All pressure vessels contracted for before the publication date of the board's initial rules and regulations or constructed, installed, or placed in operation before 12 months from the publication date shall conform to the rules and regulations for installations in existence before the publication date.
- (c) A pressure vessel described in Subsection (b) may be used, sold, or reinstalled if it conforms with the board rules and regulations governing installations in existence before the publication date and has inspection contification of safe condition.
- Sec. 7. EXEMPTIONS. The provisions of this Act do not apply to:
- (1) pressure vessels owned and/or operated by the United States government;
- (2) pressure vessels used for the transportation and storage of compressed or liquefied gases if constructed and operated in compliance with specifications and regulations of the United States Department of Transportation;

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- (12) pressure vessels covered by the Texas Boiler Law;
- (13) pressure vessels in buildings occupied solely for residence purposes with accommodations not to exceed four families;
- (14) pressure vessels located on farms and used exclusively for agricultural purposes;
- (15) pressure vessels in use solely by and in care, custody, and control of research facilities for research that will result in the destruction of the vessel;
- (16) any pressure vessel used as an integral part of an electrical circuit breaker or transformer; or
  - (17) mechanical equipment other than pressure vessels.
- Sec. 8. DIRECTOR. (a) The commissioner shall appoint a citizen of this state, or, if not available, a citizen of another state, who has at the time of the appointment not less than 10 years experience in the construction, installation, inspection, operation, maintenance, or repair of pressure vessels as a mechanical engineer or pressure vessel inspector, and who has passed the kind of examination described in Section 12 of this Act, to be director. The director may be removed for cause after investigation by the board, the board's recommendation of removal, and approval by the commissioner.
  - (b) The director shall:
- (1) take action necessary for the enforcement of the laws of the state governing the use of pressure vessels to which this Act applies.
- (2) keep a complete record of the name of the owner-user, and his location; and the type, dimensions, maximum allowable

- (4) pressure vessels installed on the right-of-way of railroads and used directly in the operation of trains;
- (5) pressure vessels having an internal or external operating pressure not exceeding 15 PSIG with no limit on size;
- (6) pressure vessels with a nominal water-containing capacity of 120 gallons or less for containing water under pressure, including those containing air, the compression of which serves only as a cushion;
- (7) pressure vessels containing water heated by steam or any other indirect means when none of the following limitations are exceeded:
  - (A) a heat input of 200,000 BTU per hour;
  - (B) a water temperature of 200° F;
  - (C) a nominal water-containing capacity of 120 gallons;
  - (8) pressure vessels that do not exceed:
  - (A) five cubic feet in volume and 250 PSIG pressure; or
- (B) one and one-half cubic feet in volume and 600 PSIG pressure; or
- (C) an inside diameter of six inches with no limitation on pressure;
- (9) pressure vessels which are under the regulation and control of the Texas Railroad Commission;
  - (10) piping and pipelines;
  - (11) fired process tubular heaters and furnaces;

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working pressure, age, and date of the last recorded inspection of all pressure vessels to which this Act applies.

- (3) publish and upon application make available copies of the board's rules and regulations.
- (4) issue, suspend, or revoke for cause a certificate of operation.
- (5) cause the prosecution of violators of the provisions of this Act.
- (6) from the moneys appropriated by the legislature pay the expenses authorized by this Act including the maintenance expenses of the director's office and traveling expenses of the director and his deputies.
- Sec. 9. DEPUTY INSPECTORS. The commissioner shall appoint deputy inspectors to be responsible to the director who have passed the examination pursuant to Section 12 of this Act, are at least 25 years of age, and have education and experience equal to at least one of the following:
- (1) a degree in mechanical engineering plus one year of experience in the design, construction, operation, or inspection of high pressure boilers and pressure vessels;
- (2) a degree in a branch of engineering other than mechanical engineering plus two years of experience in design, construction, operation, or inspection of high pressure boilers and pressure vessels;
- (3) the equivalent of a high school education plus three years of experience:
  - (A) in high pressure boiler and pressure vessel construction

or repair; or

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- (B) as an operating engineer in charge of high pressure boiler operation; or
- (C) as an inspector of high pressure boilers and pressure vessels.
- shall, upon the request of any company licensed to insure boilers and pressure vessels in this state, issue to any inspectors of the company commissions as authorized inspectors, if each inspector satisfactorily passes the examination described in Section 12 of this Act; or holds a commission as an inspector of boilers and pressure vessels issued by the National Board.
- (b) An authorized inspector shall receive no salary from, nor shall any of their expenses be paid by, the state, and the continuance of an authorized inspector's commission shall be conditioned upon his continuing in the employ of a company licensed to insure boilers and pressure vessels in this state.
- Sec. 11. SPECIAI INSPECTORS. (a) The director shall issue a certificate of competency as a special inspector to an inspector of an owner-user which (1) requests the issuance, (2) operates pressure vessels in this state, (3) maintains a regularly established inspection procedure under the supervision of one or more individuals whose qualifications are satisfactory to the board, and (4) causes the pressure vessels to be regularly inspected and rated by the inspection procedure in accordance with the board's rules and regulations.
  - (b) Before receiving the certificate of competency, the

inspector shall (1) be certified pursuant to Subsection (d) of this section, (2) be continuously employed by the owner-user, and (3) be responsible for making inspections of pressure vessels not for resale, and used, or to be used, by the cwner-user.

- (c) Special inspectors shall receive no salary from, nor shall any of their expenses be paid by, the state, and the continuance of a special inspector's certificate of competency shall be conditioned upon his continuing in the employ of the owner-user operating pressure vessels in this state and upon his maintenance of the standards imposed by this Act.
- (d) The board's rules and regulations shall govern the certification of the applicant and issuance of a certificate of competency as a special inspector.

Sec. 12. EXAMINATION. Examinations for director, deputy, or authorized inspectors shall be in writing and held by the board, with at least two members of the board present at all times during the examination. The examination shall be confined to areas of competency necessary for the specified position such as the questions prepared by the National Board of Boiler and Pressure Vessel Inspectors. If an applicant for an inspector's commission fails to pass the examination, he may appeal to the board for another examination which shall be given by the board within 90 days. The record of an applicant's examination shall be accessible to the applicant and his employers.

Sec. 13. SUSPENSION OR REVOCATION OF COMMISSION OR CERTIFICATE CF COMPETENCY. (a) An inspector's commission or certificate of competency may be suspended by the director after

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due investigation and recommendation by the board, for the inspector's incompetence, untrustworthiness, or willful falsification in his application or in an inspection report made by him. Written notice of any suspension shall be given by the director within 10 days thereof to the inspector and his employer. A person whose commission or certificate of competency has been suspended is entitled to an appeal to the board and to be present in person or to be represented by counsel at the appeal hearing.

- (b) If the board has reason to believe that an inspector is no longer qualified to hold his commission or certificate of competency the board shall, with not less than 10 days' written notice to the inspector and his employer, hold a hearing at which the inspector and his employer shall have an opportunity to be heard. If the board finds that the inspector is not qualified to hold his commission or certificate of competency, the board shall recommend to the commissioner that the commission or certificate of competency be revoked, and the commissioner may thereupon revoke the commission or certificate of competency.
- (c) A person whose commission or certificate of competency has been suspended is entitled to apply, after 90 days from the date of such suspension, for reinstatement of the commission or certificate of competency.
- Sec. 14. REPLACEMENT AND RENEWAL OF COMMISSION OR CERTIFICATE OF COMPETENCY. (a) If a commission or certificate of competency is lost or destroyed, a new commission or certificate shall be issued in its place without another examination.
  - (b) Renewal of a commission or certificate of competency

is required in December of each year, at which time a new identifying card will be issued.

pressure vessels covered by this Act shall be inspected during construction by either an inspector authorized to inspect pressure vessels in this state, an inspector holding a commission issued by the national board, or an authorized owner-user inspector as provided by the ASME Code. After inspection, the new pressure vessels shall be registered with the national board.

- (b) On or after the effective date of the rules and regulations, each pressure vessel covered by this Act shall be given a certificate inspection at intervals to decide whether or not a certificate of operation may be issued. Pressure vessels shall be inspected biennially unless the owner-user maintains a regularly established inspection procedure under the supervision of one or more individuals whose qualifications are satisfactory to the board and cause the pressure vessels to be regularly inspected by special inspectors in accordance with the board's rules and regulations.
- (c) A pressure vessel (except for owner-user vessels) relocated from an existing setting shall be given a certificate inspection before it is returned to service.
- (d) Nuclear vessels within the scope of the Act shall be inspected and reported in such form and with such appropriate information as the board requires.
- (e) The director, deputy inspector, or any authorized inspector shall have free access during reasonable hours to any

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premises in the state where a pressure vessel is being constructed, altered or repaired, for use in or is being installed in this state for the purpose of ascertaining whether the pressure vessel is being constructed, installed, altered or repaired, in accordance with the previsions of the Act.

(f) The board may, at its discretion, permit longer periods between certificate inspections and permit variations in inspection requirements.

Sec. 16. PROHIBITION AGAINST CPERATION OF PRESSURE VESSEL WITHOUT CERTIFICATE OF OPERATION. No pressure vessel covered by this Act may be operated within this state unless the pressure vessel has been recorded with the Pressure Vessel Division of the Bureau of Labor Statistics and has been issued a certificate of operation for the vessel or unless the owner-user of the pressure vessel has complied with Sections 15 and 19 of this Act. The certificate of operation remains in effect until it expires or is canceled for cause by the commissioner.

Sec. 17. INJUNCTION AGAINST OPERATION OF UNSAFE PRESSURE VESSELS. (a) If the operation of a vessel constitutes a serious menace to the safety of any person near the installation, the commissioner, the director, or any deputy inspector shall apply for an injunction restraining the operation of the unsafe vessel until the unsafe condition has been corrected.

- (b) The suit shall be brought in the district court in the county in which the vessel is located by either the attorney general or the district attorney of that county.
  - (c) The state shall not be required to verify pleadings

or execute a bond in an injunction suit.

(d) The affidavit of the commissioner, the director, or any deputy inspector that the vessel's operation constitutes a menace to the safety of any person near the installation shall be prima facie evidence of danger warranting the granting of a temporary restraining order.

Sec. 18. INSPECTION REPORTS AND CERTIFICATES OF OPERATION.

(a) Every insurance company licensed to insure pressure vessels in this state shall, within 30 days following each certificate inspection, file a report of such inspection with the director upon appropriate forms promulgated by the National Board. If the pressure vessel is found to comply with the board's rules and regulations, the insured under this section shall pay a fee of \$3 to the director.

- (b) The director, or his duly authorized representative, shall issue to such insured a certificate of operation bearing the date of inspection and specifying the maximum allowable working pressure under which the pressure vessel may be operated. Certificates shall be posted in the room containing the pressure vessel, in a location convenient to the pressure vessel, or filed in any place where they will be accessible.
- (c) The insured of every pressure vessel inspected by an authorized inspector on which such insurance company has issued a policy of insurance after inspection thereof shall be exempt from other inspections and inspection fees except as provided in Subsection (a) above unless the director authorizes the inspection of any insured pressure vessel at a reasonable time believing the

insured pressure vessel to be in an unsafe condition. The director shall contact the insured and the authorized inspector. The director or deputy inspector and the insured and authorized inspector shall jointly inspect the pressure vessel within 20 days after notice by the director. No additional charge shall be made for this joint inspection.

- (d) Every insurance company shall notify the director in writing of the cancellation or expiration of every policy of insurance issued by it with reference to pressure vessels in this state, within 60 days after the expiration or cancellation of the policy, giving the cause or reason for the cancellation or expiration.
- (e) If an authorized inspector, upon the inspection of a new risk, finds that the pressure vessel or any of the appurtenances are in such condition that his company refuses insurance, the company shall immediately notify the director and submit a report of the defects.
- Sec. 19. OWNER-USER INSPECTION REPORTS AND RECORDS. (a)
  Each company operating pressure vessels covered by owner-user
  inspection procedure meeting the requirements of this Act shall
  maintain in its files an inspection record which lists, by number
  and such abbreviated description as necessary for identification,
  each pressure vessel covered by this Act, the date of the last
  inspection of each unit, and for each pressure vessel the
  approximate date for the next inspection arrived at by applying
  the appropriate rules to all data available at the time such
  inspection record is compiled. The inspection records shall be

readily available for examination by the director or his authorized representative during tusiness hours.

- (b) Each company shall file annually with the director a statement signed by the individual having supervision over the inspections made during the period covered, stating the number of vessels at each location covered by this Act inspected during the year, and certifying that each such inspection was conducted pursuant to the inspection requirements provided for by this Act.
- (c) The annual statement shall be accompanied by a filing fee in accordance with the following schedule:
  - (1) for statements covering 1 to 25 vessels \$ 3 each
  - (2) for statements covering 26 to 100 vessels \$ 75
  - (3) for statements covering 101 to 500 vessels \$150
  - (4) for statements covering more than 500 vessels \$300
- (d) If a pressure vessel is scrapped, destroyed, or otherwise disposed of, the owner-user shall notify the director on the next annual report.
- Sec. 20. INSPECTION FEES. (a) The following inspection fees shall be charged for certificate inspections performed by deputy inspectors. Fees are to be based on the maximum length of the vessel times the maximum width or diameter, to wit:
  - (1) 30 sq. ft. or less \$ 8
  - (2) over 30 sq. ft. but less than 60 sq. ft. \$12
  - (3) 60 sq. ft. but less than 100 sq. ft. \$15
  - (4) 100 sg. ft. or over \$20
- (b) The fee for any special inspection shall be \$100 per day, plus necessary travel expenses.

Sec. 21. CREATION OF THE STATE PRESSURE VESSEL INSPECTION FUND. The fees collected pursuant to this Act shall be deposited in the state treasury to the credit of the State Pressure Vessel Inspection Fund to be used by the Pressure Vessel Division in the administration of this Act.

Sec. 22. AFFIDAVIT OF COMMISSIONER. An affidavit under the seal of the commissioner executed by the said commissioner or the director or any deputy inspector, setting forth the terms of any order of the commissioner, when it was adopted, promulgated, and published, and that it was in effect during any period specified shall be prima facie evidence of all such facts, and shall be admitted in evidence in any action, civil or criminal, involving such order.

Sec. 23. PENALTY FOR VIOLATIONS. (a) Any person, firm, corporation, or agent thereof covered by this Act, or any rule, regulation, or order authorized herein, who willfully fails to comply therewith, is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than \$50 nor more than \$200, or by confinement in the county jail for not more than 60 days, or by both.

(b) Any person in control of any place where a pressure vessel subject to inspection under this Act is located, who in any way prevents or deters an authorized employee of the Pressure Vessel Division from carrying out the provisions of this Act, is quilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$100, or by confinement in the county jail for not more than 60 days, or by both.

Sec. 24. PERIOD FOR INITIAL RECORDING. After the effective date of this Act, twelve months shall be allowed in which to initially record all pressure vessels with the board.

Sec. 25. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

May 7, 1973

Honorable William T. "Bill" Moore, Chairman State Affairs Committee State Senate Austin, Texas 78701

In Re: Senate Bill No. 496

· · · id defeat

By: Brooks

## Sir:

In response to your request and pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Senate Bill No. 496 (relating to the creation of a Pressure Vessel Division in the Bureau of Labor Statistics) to be as follows:

1. The probable cost of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

<u>Fiscal Year</u>	Cost
1974	\$681,096
1975	590,000
1976	620,000
1977	650,000
1978	680,000

- 2. Similar annual costs will continue as long as the provisions of the bill are in effect.
- 3. The bill would provide an inspection fee ranging from \$3.00 to \$20.00 per pressure vessel, which makes the program self-sustaining.

Thomas M. Keel Legislative Budget Director

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Sent to HOUSE

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